

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 706**

FINAL READING

Introduced by Executive Board: Engel, 17, Chairperson.

Read first time January 9, 2008

Committee: Placed on General File

A BILL

1 FOR AN ACT relating to limited cooperative associations; to amend  
2 section 21-2970, Revised Statutes Supplement, 2007; to  
3 delete erroneous references to corporation that should be  
4 references to limited cooperative association; to repeal  
5 the original section; and to declare an emergency.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 21-2970, Revised Statutes Supplement,  
2 2007, is amended to read:

3           21-2970 (1) A director shall discharge his or her duties  
4 as a director, including his or her duties as a member of a  
5 committee:

6           (a) In good faith;

7           (b) With the care an ordinarily prudent person in a like  
8 position would exercise under similar circumstances; and

9           (c) In a manner he or she reasonably believes to be  
10 in the best interests of the ~~corporation~~, limited cooperative  
11 association.

12           (2) In discharging his or her duties, a director  
13 shall be entitled to rely on information, opinions, reports,  
14 or statements, including financial statements and other financial  
15 data, if prepared or presented by:

16           (a) One or more officers or employees of the ~~corporation~~  
17 limited cooperative association whom the director reasonably  
18 believes to be reliable and competent in the matters presented;

19           (b) Legal counsel, public accountants, or other persons  
20 as to matters the director reasonably believes are within the  
21 person's professional or expert competence; or

22           (c) A committee of the board of directors of which he  
23 or she is not a member, if the director reasonably believes the  
24 committee merits confidence.

25           (3) A director shall not be considered to be acting in

1 good faith if he or she has knowledge concerning the matter in  
2 question that makes reliance otherwise permitted by subsection (2)  
3 of this section unwarranted.

4 (4) A director shall not be liable for any action taken  
5 as a director or any failure to take any action if he or she  
6 performed the duties of his or her office in compliance with this  
7 section.

8 Sec. 2. Original section 21-2970, Revised Statutes  
9 Supplement, 2007, is repealed.

10 Sec. 3. Since an emergency exists, this act takes effect  
11 when passed and approved according to law.